

## Message Text

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ORIGIN ARA-20

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20 AID-20

EB-11 CIEP-02 TRSE-00 STR-08 OMB-01 CEA-02 SCI-06

OPIC-12 IO-14 SAB-01 SSO-00 NSCE-00 USIE-00 INRE-00

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DRAFTED BY ARA-LA/PLC:RJBLOOMFIELD

APPROVED BY ARA-LA:JBKUBISCH

ARA-LA:WGBOWDLER

S/P:LEINAUDI

S/S:DWMILLER

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FM SECSTATE WASHDC

TO ALL AMERICAN REPUBLIC DIPLOMATIC POSTS IMMEDIATE

USCINCS IMMEDIATE

C O N F I D E N T I A L STATE 085239

USCINCSO FOR POLAD

E.O. 11652: GDS

TAGS: PFOR, OCON

SUBJECT: EVALUATION OF THE WASHINGTON MFM

REF: STATE 079986

1. SUMMARY: WASHINGTON MFM, APRIL 17-18, WENT OFF WELL FROM U.S. POINT OF VIEW. THE MOOD WAS NON-CONFRONTATIONAL. ALTHOUGH SEVERAL LATINS RAISED THE CUBA ISSUE, THEY DID NOT PRESS IT. EACH SIDE ACHIEVED SOME OF ITS OBJECTIVES: THE LATINS GOT THE U.S. TO REAFFIRM A NUMBER OF IMPORTANT COMMITMENTS; THE U.S. GOT THE LATINS TO AGREE TO SET UP SOME WORKING GROUPS AND CONSULTATIVE PROCEDURES SO THAT WORK ON THE ISSUES COULD PROCEED JOINTLY BETWEEN MFMS.

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THE NEXT MFM IS TO BE HELD IN BUENOS AIRES IN MARCH, 1975.

2. STORM SIGNALS BEFORE THE MEETING: WE HAD RECEIVED SOME REPORTS JUST PRIOR TO THE MEETING THAT SOME OF THE LATIN AMERICANS WERE IN A CONFRONTATIONAL MOOD, ON THE GROUNDS THAT THEY HAD PRESENTED THEIR POSITION AT TLATELOLCO AND THAT THE U.S. HAD NOT YET RESPONDED IN CONCRETE TERMS. WE HEARD, FOR EXAMPLE, THAT THE LATIN CAUCUS AT THE ARGENTINE EMBASSY PRIOR TO THE OPENING OF THE MFM HAD REJECTED THE U.S. PROPOSALS TO ESTABLISH WORKING GROUPS ON SOME OF THE AGENDA TOPICS. WE ALSO WERE PUT ON NOTICE BY ARGENTINA AND OTHERS THAT THE ISSUE OF CUBAN SANCTIONS WOULD BE RAISED.

3. TONE OF THE MEETING: WHILE THE LATIN AMERICANS WERE CRITICAL OF U.S. POLICY ON MANY POINTS, THEIR STATEMENTS WERE NEITHER SO SHARP NOR SO PERSISTENT AS TO PROMOTE A CONFRONTATIONAL ATMOSPHERE. ON CUBA, ADVANCE BILATERAL CONSULTATIONS AND U.S. ACTIONS DURING THE MEETING ON THE ARGENTINE LICENSE PROBLEM HELPED TO TAKE MOST OF THE STEAM OUT OF THE CUBA SANCTIONS ISSUE AS FAR AS THE MFM WAS CONCERNED. THE BROADER QUESTION OF CUBAN POLICY WAS FINESSED WHEN MEXICO AND ARGENTINA RAISED THE POSSIBILITY OF AN INVITATION TO CUBA TO PARTICIPATE IN THE NEXT MFM, BUT AVOIDED A SHOWDOWN BY AGREEING WITH THE SECRETARY'S SUGGESTION THAT THE HOST FOR THE NEXT MEETING CONSULT THE GOVERNMENTS IN ADVANCE TO SEE WHETHER THERE IS A CONSENSUS TO EXTEND AN INVITATION. IN GENERAL, THE DIALOGUE ON ALL THE AGENDA ITEMS WAS MUCH LESS ANIMATED THAN AT TLATELOLCO. THIS UNDOUBTEDLY REFLECTED THE FACT THAT THERE WAS LITTLE NEW TO SAY IN VIEW OF THE SHORT TIME THAT HAD ELAPSED SINCE TLATELOLCO. THE LATIN AMERICANS' RETICENCE MAY ALSO HAVE BEEN DUE TO A LACK OF CONFIDENCE ON THEIR PART: WE HEARD THAT THE LATIN CAUCUS WAS VERY CONFUSED AND PRODUCED LITTLE AGREEMENT, SO THAT ONCE THE LATIN AMERICANS GOT BEYOND POSITIONS THEY HAD ALREADY AGREED UPON IN PREPARING FOR THE TLATELOLCO CONFERENCE THEY MAY HAVE BEEN RELUCTANT TO TAKE INDIVIDUAL POSITIONS FOR FEAR OF BREAKING THEIR CHERISHED BUT WEAK LATIN AMERICAN UNITY.

4. SUBSTANCE OF LATIN AMERICAN POSITIONS: THE LATIN AMERICANS COMPLAINED  
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ABOUT U.S. PERFORMANCE ON TRADE LIBERALIZATION, VOICING SOME SKEPTICISM OF U.S. EXPRESSIONS AT TLATELOLCO OF INTENTION TO SUPPORT LATIN AMERICANS' TRADE OBJECTIVES IN VIEW OF PAST HISTORY OF FAILURE TO FULFILL COMMITMENTS ON GSP AND PRIOR CONSULTATION AS WELL AS RECENT COUNTERVAILING DUTY CASES INVOLVING COLOMBIA AND BRAZIL. THE LATIN AMERICANS ASKED FOR INCREASED U.S. AID, INCLUDING ONE PERCENT OF GNP TO LDCS AND A GREATER SHARE TO LATIN AMERICA,

CONDEMNED U.S. CONDITIONS ON ASSISTANCE AS COERCION AND CITED PROVISIONS IN PENDING TRADE REFORM BILL WHICH REQUIRE EXPROPRIATION CASES TO BE TAKEN INTO ACCOUNT IN EXTENDING GSP. ON SCIENCE AND TECHNOLOGY, THE LATINS WANTED A DECLARATION OF U.S. POLICY REGARDING THE OBJECTIVES ON TRANSFER OF TECHNOLOGY STATED IN PARAGRAPH 9B OF THE DECLARATION OF TLATELOLCO. THE LATIN FOREIGN MINISTERS ALSO EXPRESSED CONCERN THAT SUPPORT OF OVER 30 SENATORS FOR SENATE RESOLUTION 301, WHICH REJECTS NEED FOR A NEW TREATY WITH PANAMA, MIGHT VITIATE U.S.-PANAMA NEGOTIATIONS.

5. U.S. REPLY: THE SECRETARY EMPHASIZED THE IMPORTANCE OF U.S. DOMESTIC OPINION IN DETERMINING USG ABILITY TO RESOLVE VARIOUS PROBLEMS RAISED BY LATINS. HE REPEATED U.S. PLEDGES ON TRADE, INCLUDING BEST EFFORTS NOT TO IMPOSE NEW RESTRICTIONS, AND RESTATED OUR COMMITMENT TO GIVE SPECIAL CONSIDERATION TO LATIN OBJECTIVES IN CARRYING OUT MANDATE OF TRA BOTH AS TO MULTILATERAL TRADE NEGOTIATIONS AND GSP. HE CITED EBERLE MISSION AS EVIDENCE U.S. GOOD FAITH. ON MNCS, SECRETARY NOTED THEIR POSITIVE CONTRIBUTIONS INCLUDING TRANSFER OF TECHNOLOGY, AND SUGGESTED PRAGMATIC APPROACH TO PROBLEMS ARISING FROM MNC OPERATIONS. HE AGAIN SUGGESTED FACT-FINDING AND CONCILIATION PROCEDURE AS WAY OF AVOIDING HICKENLOOPER AND GONZALES AMENDMENTS AND PROPOSED WORKING GROUP EXAMINE THIS AND RELATED MATTERS. SECRETARY ALSO STATED U.S. PREPARED JOIN IN WORKING GROUP TO DISCUSS STANDARDS OF BEHAVIOR FOR FOREIGN CORPORATIONS. SECRETARY ATTEMPTED REASSURE LATINS THAT S. 301 NEED NOT TIE USG HANDS IN PANAMA NEGOTIATION OR ON GENERAL SUBJECT OF U.S.-LA RELATIONSHIP. SECRETARY REPEATED PROPOSALS HE MADE AT TLATELOLCO TO GIVE GREATER SUBSTANCE TO U.S.-LA

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SPECIAL RELATIONSHIP BY INSTITUTIONALIZING REGULAR CONSULTATIONS ON WIDE RANGE OF ISSUES OF COMMON CONCERN, NOT ONLY REGIONAL BUT GLOBAL.

6. CONCLUSIONS: LATINS ARE STILL SOMEWHAT CHARY OF REDEFINING SPECIAL RELATIONSHIP IN WAYS WHICH MIGHT GIVE THEM GREATER RESPONSIBILITY FOR ITS CARE AND FEEDING. IN MOST CASES, THEY REACT CAUTIOUSLY TO SPECIFIC U.S. PROPOSALS WHICH IMPLY MUTUAL GIVE-AND-TAKE (ALTHOUGH NOT STRICT, OR EVEN NEAR, RECIPROCITY). THEY CONTINUE TO FORMULATE THEIR OBJECTIVES PRIMARILY IN TERMS OF LATIN DEMAND - U.S. RESPONSE. THEY ARE, BY AND LARGE, STILL RETICENT ABOUT "CONSULTING" ON GLOBAL ISSUES, PREFERRING TO CONCENTRATE ON NORTH-SOUTH DIALOGUE WITHIN THE HEMISPHERE. EXPRESSIONS BY U.S. OF INTENT

TO GIVE LATINS SPECIAL CONSIDERATION IN FORMULATING GLOBAL POLICIES ON TRADE AND OTHER ECONOMIC ISSUES ARE STILL GREETED WITH SOME CAUTION, AS MIGHT BE EXPECTED GIVEN THE PAST.

7. IN SPITE OF THESE PSYCHOLOGICAL CONSTRAINTS, DEPARTMENT BELIEVES THAT SIGNIFICANT PROGRESS HAS BEEN MADE AS RESULT OF "NEW DIALOGUE" INITIATED LAST OCTOBER. FACT THAT SECRETARY HAS SPENT CONSIDERABLE AMOUNT OF TIME ON LATIN AMERICAN AFFAIRS IN RECENT MONTHS, INCLUDING SEVERAL HIGHLY IMPORTANT VISITS AND MULTILATERAL MEETINGS, AND MANY BILATERAL ONES, HAS NOT

BEEN LOST ON THEM. SECRETARY'S PERSONAL RELATIONSHIPS WITH A NUMBER OF LATIN FOREIGN MINISTERS HAVE BECOME ESPECIALLY STRONG AND THIS HAS HELPED GET OVER DIFFICULT POINTS IN THE TWO MFMS. RECORD OF ACCOMPLISHMENT IN RESOLVING OR MITIGATING OLD PROBLEMS (SALINITY, PANAMA, PERU, ARGENTINE LICENSES) HAS TENDED TO DRAW TEETH OF SOME OF THE MAJOR CONFRONTATIONAL ISSUES. AND IN SPITE OF LATINS' SKITTISHNESS AT TIMES, WE HAVE BEEN ABLE IN BOTH MFMS TO MAKE PROGRESS ON OUR OBJECTIVES: AT TLATELOLCO, THE PUBLIC RECORD WAS REplete WITH REFERENCES TO A NEW SPIRIT AND APPROACH TO INTER-AMERICAN RELATIONS; AT WASHINGTON WE MANAGED TO GET LATIN AGREEMENT TO OUR PREFERRED APPROACH TO COMPLEX ISSUES LIKE TRANSFER OF CONFIDENTIAL

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TECHNOLOGY, WHICH IS TO TRY TO DEAL WITH THEM AT A TECHNICAL, PRACTICAL LEVEL JOINTLY BEFORE ATTEMPTING TO TAKE POLITICAL DECISIONS OR FORMULATE JURIDICALLY BINDING PRINCIPLES. OUR OBJECTIVE IN COMING MONTHS WILL BE TO MAKE REAL PROGRESS ON ALL THE ISSUES ON THE LATINS' AGENDA AND, TO THE EXTENT FEASIBLE, ENGAGE THE LATINS IN THIS PROCESS. OUR GOAL IS TO HAVE SOLID EVIDENCE BY TIME OF BUENOS AIRES MEETING NEXT YEAR THAT THE NEW RELATIONSHIP BETWEEN THE U.S. AND LATIN AMERICA IS PRODUCTIVE AND WORKING OUT WELL. THIS RELATIONSHIP SHOULD BE NEITHER AN INSULATED U.S.-DOMINATED BLOC NOR A "NORTH-SOUTH" CONFRONTATION BUT RATHER A PATTERN OF COOPERATIVE ENDEAVORS ON SPECIFIC PROBLEMS AND A COMMON EFFORT TOWARD THE GLOBAL COOPERATION WHICH IS DICTATED BY TODAY'S POLITICAL AND ECONOMIC REALITIES.

8. ACTION REQUESTED: POSTS ARE URGED TO REPORT ON ATTITUDES AND REACTIONS TO THE RECENT MFMS, AS WELL AS CURRENT OAS/GA IN ATLANTA, AND, MORE BROADLY, ON HOW DEVELOPMENTS OF THE PAST SIX MONTHS IN OUR MULTILATERAL RELATIONS WITH LATIN AMERICA APPEAR FROM THEIR PERSPECTIVE. RECOMMENDATIONS ON SPECIFIC ISSUES

AND PROBLEMS RELATED TO THE AGENDA OF TLATELOLCO  
AND WASHINGTON WILL ALSO BE WELCOMED, AS WILL SPECIFIC  
COMMENTS OR PROPOSALS FOR IMPLEMENTING THE PROGRAM SET  
FORTH IN THE SECRETARY'S OAS/GA SPEECH APRIL 20. KISSINGER

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